GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2082
ANSWERED ON:29.11.2016
Setting up of petrochemical industries
Tharoor Dr. Shashi

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government has decided to set up chemical and petrochemical industries in certain Special Economic Zones (SEZs) abroad to overcome the deficiency of petro-chemical resources and if so, the details thereof;

(b) whether the Government has finalised agreements with countries such as Iran and Myanmar and if so, the details thereof;

(c) whether details of the finances including the investment, distribution, profit-sharing ratio and the financial incentives (tax exemptions) that will be provided to the Indian industries set up in the SEZs of the petro-chemical rich countries has also been finalised; and

(d) if so, the details thereof?

Answer

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS, SHIPPING, ROAD TRANSPORT AND HIGHWAYS (SHRI MANSUKH L. MANDAVIYA)

(a) Department of Chemicals and Petrochemicals had initiated a proposal to establish Reverse Special Economic Zone at Chabahar in Iran. However, during the visit of Minister of State (Independent Charge), Ministry of Petroleum & Natural Gas to Iran in April, 2016, Iranian side informed that only sweet and lean gas would be available at Chabahar for chemicals and other projects without the higher fractions like C2 (Ethane), C3 (Propane), C4 (Butane) etc.; which are required to set up a petrochemical complex. Therefore, the proposal to set up Reverse Special Economic Zone in Iran was revisited in consultation with industry and it was concluded that in absence of availability of higher fractions (rich gas), setting up of a chemical and petrochemical complex / SEZ would not be feasible.

(b) No agreement has been finalised by this Department with countries such as Iran and Myanmar for setting up of chemical and petrochemical industries in SEZs abroad.

(c) & (d) Do not arise.
*****